Labour Market Notes

Employment takes a step back

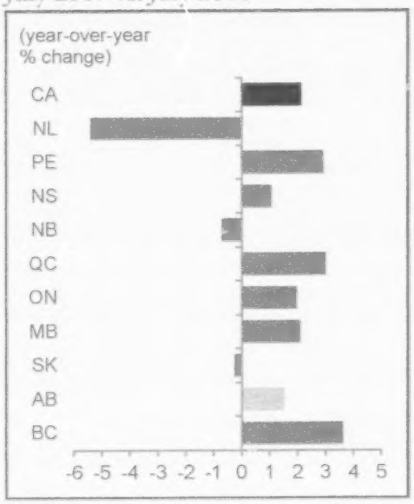
Alberta

- Employment retreats in July. After a healthy gain in June, employment in Alberta decreased by 14,400 in July.
- Losses concentrated in the services sectors. Employment in the service sector declined 14,200 in July while employment in goods sector was virtually unchanged. The losses in the service sector were in concentrated in education (-18,400) and health care and social assistance (-6,300).
- Balanced recovery between goods and services. Even with the large monthly decline, employment in the service sector has increased by 18,200 compared to a year ago. Gains have been similar in the goods sector (16,200).
- Solid job gains over the past year. Despite the monthly decline, Alberta has gained 34,500 jobs over the last 12 months.
- Full-time positions continue to lead the recovery. Although full-time position declined by 12,200 in July, they accounted for all the year-over-year gains in employment. Compared to a year ago, full-time jobs increased by 42,900. Meanwhile, part-time employment has declined by 8,400.
- Unemployment rate reverses June decline. The unemployment rate increased by 0.4 percentage points to 7.8% in July, completely reversing the decline experienced in June. The unemployment rate has declined 1.2 percentage points since peaking in November 2016.
- Participation rate falls. The labour force participation rate fell to 72.2% from a recent high of 73.1% in March.
- Earnings drift lower. Average Weekly Earnings (AWE) decreased 0.4% in May to $1,120. Compared to a year ago, earnings improved 1.7%, the second year-over-year increase in a row after almost two years of declines.

Canada

- Employment gains continue. Canadian employment increased by a modest 10,900 in July, the eighth consecutive monthly increase. The increase was primarily due to gains in Ontario (+25,500) and Manitoba (+4,800). Year-over-year, Canadian employment grew by 387,600, the largest gain since November 2007.
- Unemployment rate ticks down. With the employment gains, the Canadian unemployment rate fell by 0.2 percentage point to 6.3% in July.
- Canadian earnings improve. Canadian average weekly earnings (AWE) gained 0.2% month-over-month in April to reach $972, 2.0% higher than a year ago.

Employment Growth by Province, July 2017 vs. July 2016



Source: Statistics Canada

Alberta Labour Market Indicators

Indicator	Latest*
Employment	2,284,200
month-over-month change	-14,400
year-over-year % change	1.5%
Alberta Unemployment Rate (UR)	7.8%
Edmonton UR**	8.5%
Calgary UR**	8.5%
Participation Rate	72.2%
Average Weekly Earnings (AWE)	$1,120.19
year-over-year % change	1.7%
Average Hourly Wage	$29.76
year-over-year % change	0.7%
Job Vacancy Rate***	1.5%

Source: Statistics Canada

* All data is from the July 2017 Labour Force Survey, except AWE which is the May 2017 Survey of Employment, Payrolls and Hours, and the Job Vacancy Rate is for April 2017.

** This indicator is calculated as a three-month moving average and is seasonally adjusted.

*** This indicator is calculated as a three-month moving average and is not seasonally adjusted.

Alberta Government

August 2017
Treasury Board and Finance
Economics and Revenue Forecasting

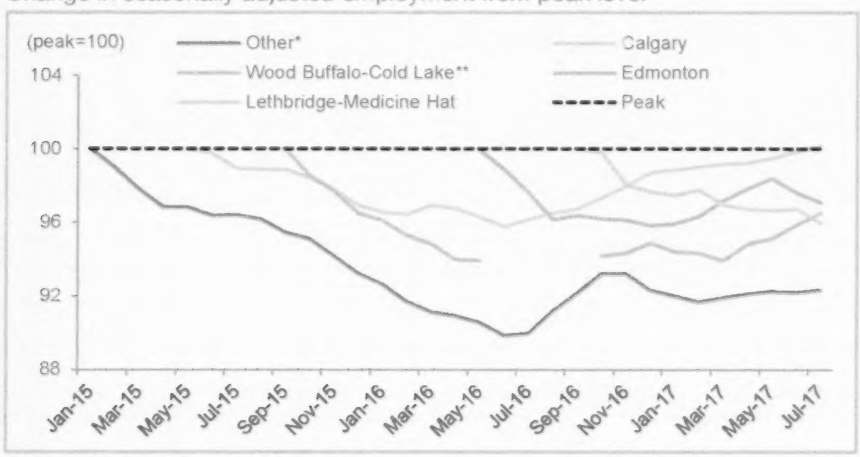
Uneven regional jobs recovery

Although employment is recovering in Alberta, the gains have varied across the economic regions. This labour insight discusses the uneven regional recovery in employment in the province.

Calgary leading the recovery

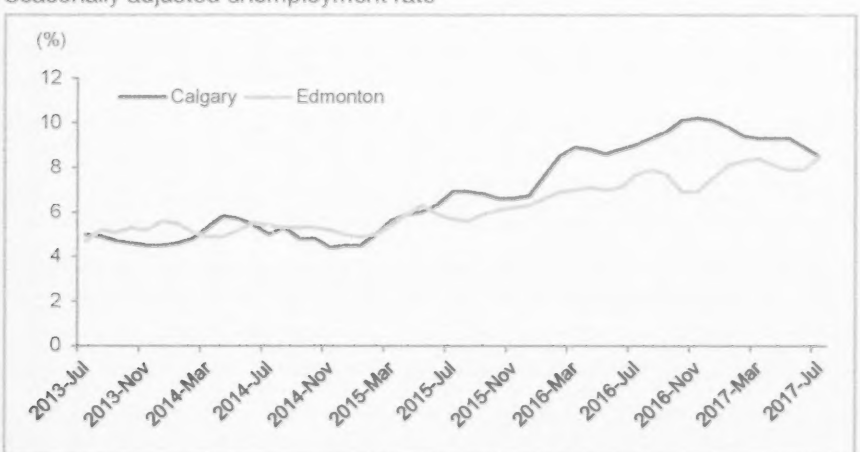
Calgary is the only region to recover fully from the job losses experienced during the recession (Chart 1). Employment in Calgary has increased by over 35,000 year-over-year, accounting for nearly all of the gains at the provincial level. Calgary was one of the first regions to experience employment losses. Although losses were substantial between April 2015 and June 2016, in percentage terms the declines were modest compared to other regions. The recent job gains have caused the unemployment rate to fall from over 10% in November to 8.4% in July.

Chart 1: Uneven regional recovery
Change in seasonally adjusted employment from peak level



Source: Statistics Canada, Haver Analytics
* Other includes Red Deer, Camrose-Drumheller, and the West regions
** No data available for June, July, August and September due the Wood-Buffalo wildfires

Chart 2: Edmonton unemployment rate rising while Calgary's declines
Seasonally adjusted unemployment rate



Source: Statistics Canada

Late recovery in Edmonton

In contrast to Calgary, Edmonton did not begin to experience significant employment losses until April 2016. With a weak employment recovery, Edmonton's unemployment rate has continued to increase, whereas Calgary's unemployment rate has declined (Chart 2). This recent trend is a reversal from 2015 and early 2016 when employment fell in Calgary and rose in Edmonton. Although Edmonton's recovery has been modest, with a higher proportion of employment in the service sector, it experienced fewer losses in the downturn compared to the other regions.

Weak recovery in other areas

Employment in Camrose-Drumheller, Red Deer and the West[1] were hit hard. All experienced employment declines greater than 10%. While employment has grown in these regions, the level remains significantly below the peak. The weaker recovery in these areas is due to a larger share of employment in the goods sector, which declined compared with services sector. The recovery in Wood Buffalo-Cold Lake has been moderate, with only a portion of the employment losses recovered. Employment in Lethbridge-Medicine Hat was largely unaffected by the downturn but has seen some job losses in 2017.

1 Refer to map on page 3 for the definition on the west region

Have a question or idea for Labour InSight? Send us an *email*.

Contact

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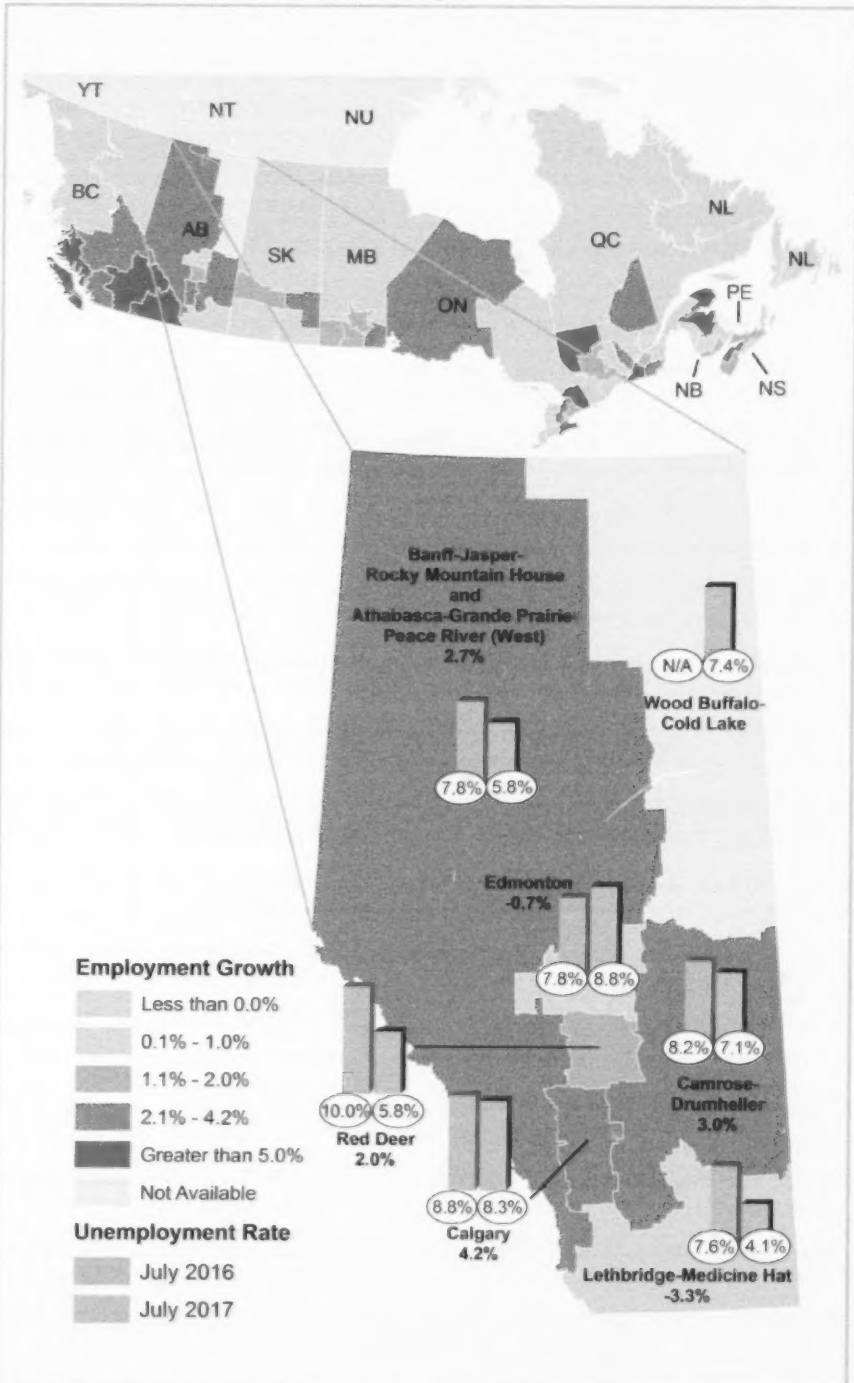
Regional labour market indicators

	2015	2016	2017 YTD
Alberta			
Population	2.2	1.3	0.9
Labour Force	2.6	0.6	1.0
Employment	1.2	1.6	0.5
Unemployment Rate	6.0	8.1	8.4
Calgary			
Population	2.9	1.9	1.3
Labour Force	3.7	1.9	3.7
Employment	2.2	-1.4	3.1
Unemployment Rate	6.3	9.2	9.0
Edmonton			
Population	2.8	1.7	1.3
Labour Force	3.9	1.3	0.9
Employment	1.9	0.2	2.2
Unemployment Rate	5.9	7.4	8.4
West			
Population	0.8	0.0	0.5
Labour Force	-1.0	4.2	0.0
Employment	-3.0	-5.3	0.7
Unemployment Rate	5.9	6.9	7.0
Lethbridge - Medicine Hat			
Population	0.6	0.0	0.3
Labour Force	5.5	3.4	-3.6
Employment	4.4	1.2	-2.6
Unemployment Rate	5.0	6.9	6.0
Red Deer			
Population	2.2	1.2	0.6
Labour Force	-0.3	1.8	1.0
Employment	-2.7	-4.3	-1.2
Unemployment Rate	6.2	8.6	8.5
Camrose - Drumheller			
Population	0.4	0.3	0.8
Labour Force	-2.3	-0.1	3.5
Employment	3.5	-3.4	2.0
Unemployment Rate	4.5	7.6	8.8
Wood Buffalo - Cold Lake			
Population	2.7	0.9	#N/A
Labour Force	3.2	-2.6	#N/A
Employment	-0.4	-4.0	#N/A
Unemployment Rate	7.9	9.3	8.5

* Year-to-date (YTD) is the change in the average based on 3 month moving averages

Employment growth by economic region
Percent change in year-over-year employment



Source: Statistics Canada